

12 April 2024

FALCON METALS MARCH QUARTER ACTIVITIES REPORT

For the three-month period ended 31 March 2024

- Drilling continued at the Pyramid Hill Project with 201 aircore (AC) holes for a total of 16,300m completed during the quarter
- Assay results received included a high-grade primary gold intercept at the base of infill aircore hole PHAC1975 near the town of Pyramid Hill returning 3m @ 8.1g/t Au from 121m, including 1m @ 24.0g/t Au from 123m
- PHAC1975 was drilled 140m to the east of a previous drilling result in PHAC1359 that intersected 4m @ 0.47g/t Au from 137m including 1m @ 1.53g/t Au from 139m¹
- The high-grade intercept in PHAC1975 was from the final metre, so its significance remains uncertain until results from the current phase of follow-up drilling are received, with assays expected in May 2024
- Regional gold reconnaissance aircore drilling ongoing including programs near Pyramid Hill and Maryborough, which have generated several new target areas with bedrock intercepts >1g/t Au
- High-grade mineral sands results returned from the Farrelly Prospect including:
 - PHAC1803 17m @ 9.8% THM from 12m; including
 - 11m @ 14.4% THM from 16m; that also includes
 - 1m @ 21.6% THM from 16m; and
 - 7m @ 16.8% THM from 19m
 - PHAC1804 18m @ 5.5% THM from 13m; including
 - 7m @ 10.7% THM from 20m; that also includes
 - 4m @ 12.0% THM from 22m
 - PHAC1790 6m @ 4.8% THM from 8m; including
 - 1m @ 9.6% THM from 8m
 - PHAC1789 7m @ 2.1% THM from 10m
 - PHAC1788 4m @ 2.9% THM from 11m
- Follow-up drilling completed at the Farrelly Prospect with results expected in the June 2024 quarter
- Pyramid Hill Project gold drilling program expected to continue until May 2024
- Falcon remains well funded with \$13.7 million cash at the end of the quarter

¹ ASX announcement "Targets Upgraded at the Pyramid Hill Gold Project" dated 14 June 2023



CORPORATE

Finance

During the quarter, Falcon Metals Ltd (**ASX: FAL**) (**Falcon**, the **Company**) spent \$1.58 million on operating activities, including:

- \$1.31 million on exploration and evaluation costs
- \$0.14 million on corporate costs and overheads
- \$0.13 million on staff costs

Falcon also received \$0.17 million in interest on cash deposits. Net cash outflow from operating activities was \$1.41 million.

During the quarter, the Company completed 16,300m of air core drilling.

Corporate costs, overheads and staff costs were broadly in line with the previous quarter except for a slight increase in activities assessing strategic opportunities for the Company.

At the end of the March 2024 quarter, Falcon retained \$13.65 million cash.

Capital Structure

At the end of the quarter, the capital structure of Falcon Metals remained consistent with 177 million shares on issue and 17.4 million outstanding share options.

EXPLORATION

Pyramid Hill (100% FAL)

Falcon has >7,000km² of granted permits in Victoria, focused on undercover areas of the Bendigo Zone that is host to the high-grade historic >22 Moz Bendigo goldfield and the ~9 Moz Fosterville Gold Mine owned by Agnico Eagle (NYSE:AEM).

During the quarter, the infill and reconnaissance aircore gold drilling program continued at the Pyramid Hill Project. Falcon completed a total of 110 holes for a total of 12,751m of aircore drilling for gold comprising both infill and regional reconnaissance drilling. Since the December 2023 quarterly report, assay results were received for 166 holes from follow-up priority targets and first pass reconnaissance gold drilling.

Falcon is undertaking a systematic approach to its drilling program with the focus during the quarter on:

- the northern area to the west of the Whitelaw Fault near Pyramid Hill; and
- area to the west of the Campbelltown Fault under shallow Murray Basin and basalt cover near Maryborough

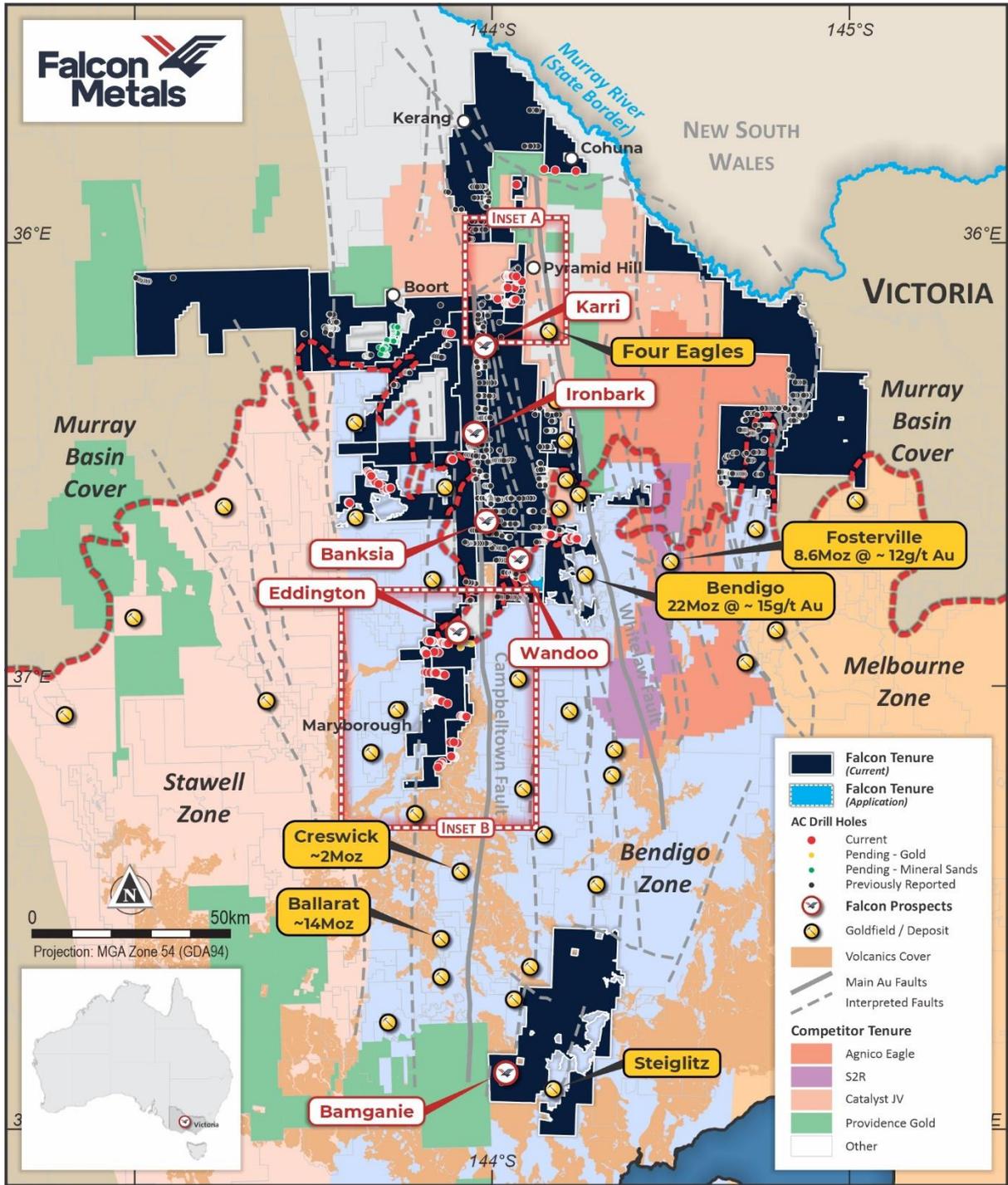


Figure 1 Plan map showing the locations of Falcon's key gold prospects and drilling status



Whitelaw Fault

Falcon completed first pass reconnaissance aircore drilling on EL006898 in 2023 with traverses along existing secondary roads. This area is to the west of the Whitelaw Fault near the town of Pyramid Hill and is in a similar structural position to the Catalyst Metals Four Eagles Gold Project located 15km to the south, and the Bendigo Goldfield located 75km to the south.

This drilling included PHAC1359, located 8km to the southwest of the town of Pyramid Hill, which intersected 4m @ 0.47g/t Au from 137m, including 1m @ 1.53g/t Au from 139m.

Follow-up drilling of three holes for 397m to tighten the spacing along the roadside adjacent to PHAC1359 to 140m was completed in February 2024 (See Figure 2). This drilling returned 3m @ 8.1g/t Au from 121m, including 1m @ 24.0g/t Au from 123m in PHAC1975, 140m to the east of PHAC1359 (see Figure 3). The intercept from 121-124m in PHAC1975 was logged as unweathered siltstone, with minor quartz and pyrite observed, with the hole terminating at 124m due to blade refusal.

Whilst it is encouraging at this stage of exploration to have two holes drilled 140m apart to have >1g/t Au primary intersections, the significance of the high-grade result from the final metre of PHAC1975 remains uncertain. Follow-up drilling is underway, which includes a line of 70m spaced holes offset 40m to the north of the original roadside drilling with the recent granting of land access in adjacent paddocks. Additional lines are also planned 400m to the north and south, with 140m spacing between drillholes. Results from this drill program are expected in May 2024.

Regional reconnaissance drilling within EL006898 continued with 29 holes for 3,850m at the nominal 280m x 3,200m grid spacing to screen for large high-grade gold systems. PHAC1977 intersected 3m @ 0.64g/t Au from 94m, including 1m @ 1.20g/t Au from 94m. This is 3km northeast of PHAC1975, with planning underway for follow up drilling.

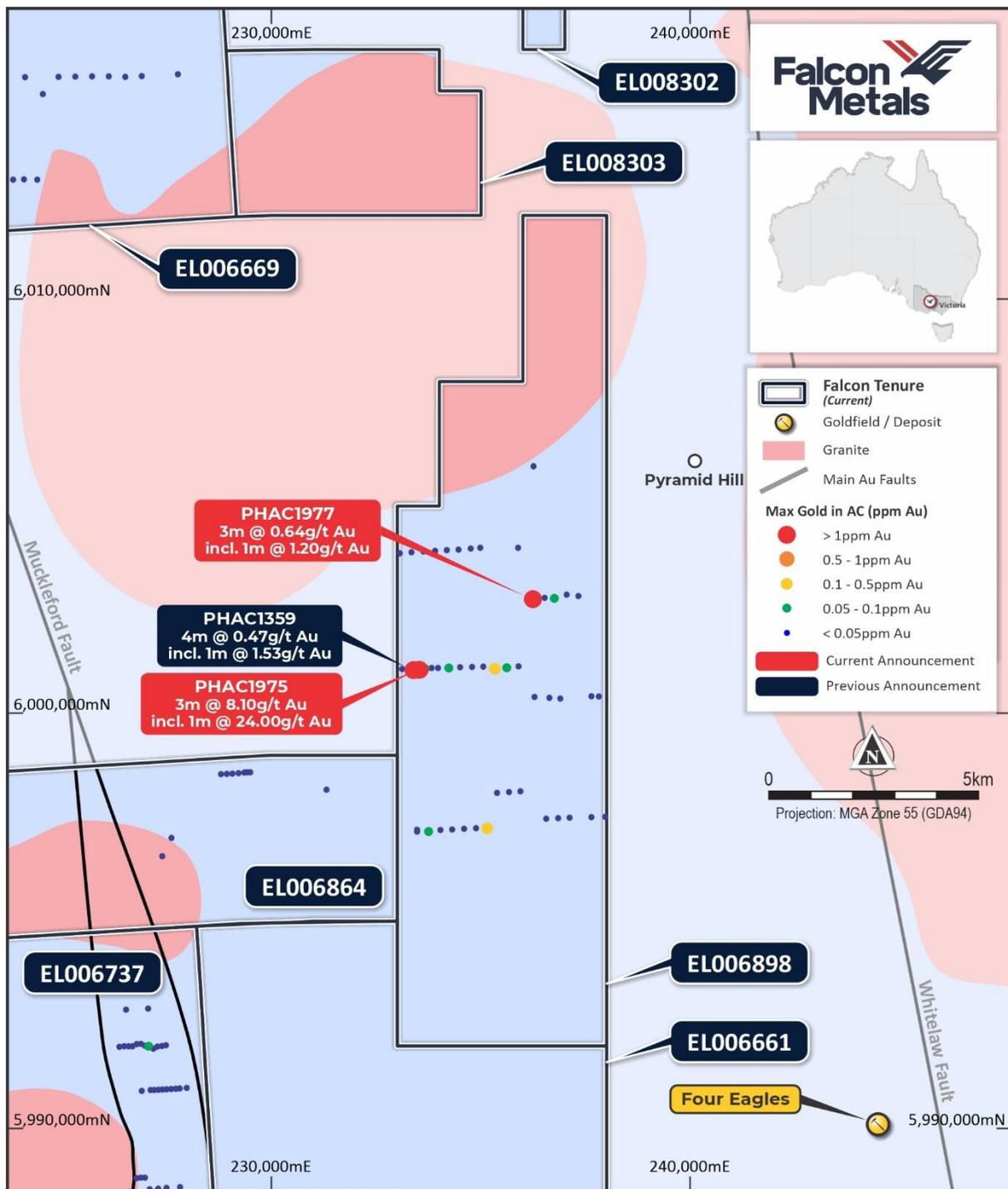


Figure 2 Location map of Whitelaw Fault drilling with maximum gold

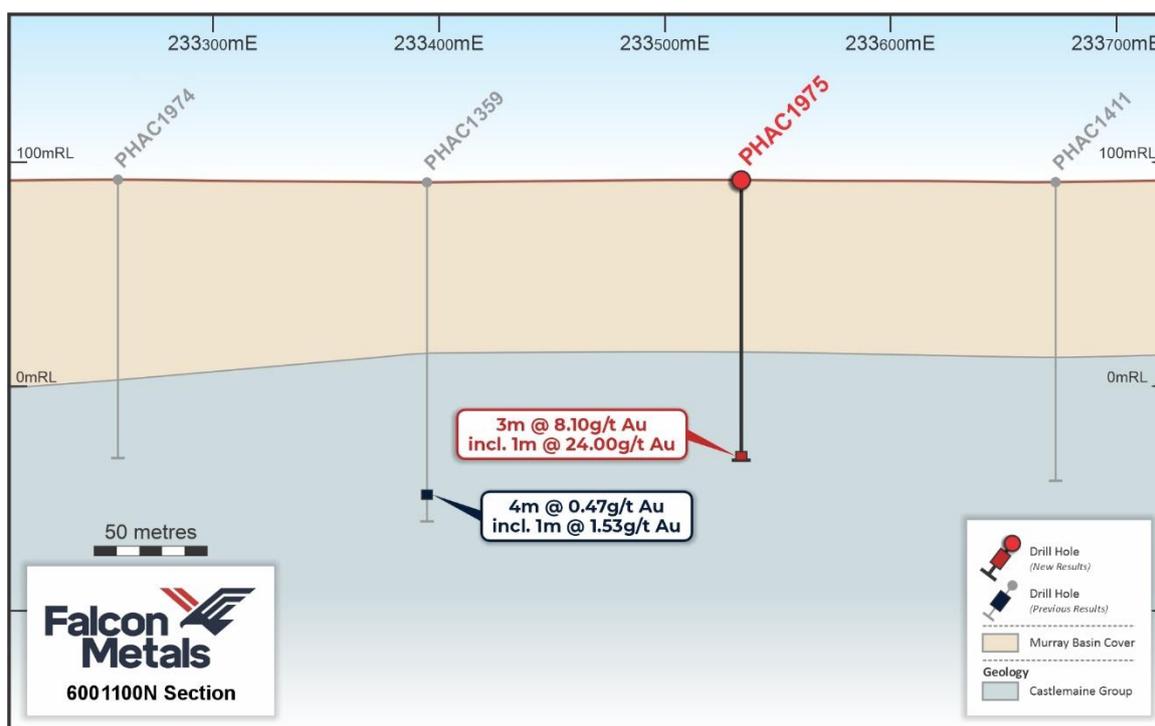


Figure 3 Cross Section showing high-grade result in PHAC1975

Campbelltown Fault

Falcon completed first pass reconnaissance aircore drilling in EL006960 in 2023 along Ross Road near Eddington. This area is to the west of the Campbelltown Fault near Maryborough and is in a similar structural position to the Ballarat, Creswick and Clunes goldfields to the south, and Tarnagulla and Inglewood goldfields to the north. This drilling included PHAC1654 which intersected 3m @ 0.59g/t Au from 68m, including 1m @ 1.40g/t Au from 68m and PHAC1659 which intersected 2m @ 0.42g/t Au from 100m².

Infill drilling was completed in the March 2024 quarter to tighten the spacing around these anomalous results along Ross Road to 140m (see Figure 4). An additional line 1.5km to the south at 140m spacing was also completed for a total of 12 holes for 1,240m. This infill drilling upgraded the Eddington area with two holes on the southern line returning highly anomalous results. PHAC1834 intersected 13m @ 0.30g/t Au from 107m to end of hole, including 1m @ 1.25g/t Au from 117m and PHAC1835, which was drilled 140m further east, intersected 3m @ 0.29g/t Au from 87m and 1m @ 1.21g/t Au from 113m (See Figure 5). With these encouraging results, another phase of infill was completed in late March 2024 with 25 holes for 2,591m completed, tightening the distance between lines to 800m at 140m spacing. Results for these holes are expected in May 2024.

In addition, regional reconnaissance drilling to the west of the Campbelltown fault was extended south and west of Eddington under areas that were covered by Murray Basin and Newer Volcanics Basalt. This consisted of 80 holes for 7,500m. PHAC1875 intersected 2m @ 0.67g/t Au from 35m, including 1m @ 1.22g/t Au from 35m and PHAC1876, that was drilled a further 230m to the southeast returned 1m @ 1.18g/t Au from 29m in saprolite at the interface between the Murray Basin and the Castlemaine Group sediments.

² ASX announcement "Exploration Update – Pyramid Hill & Mt Jackson" dated 14 September 2023



Some zones containing alluvial quartz gravel (known as deep leads) were intersected at the base of the Murray Basin, including under areas with basalt cover, and these can lead to possible downhole contamination. An example of this is PHAC1951 which intersected 11m @ 1.06g/t Au from 109m including 2m @ 4.62g/t Au from 110m and 1m @ 1.16g/t Au from 114m, as well as a lower intercept of 1m @ 0.21g/t Au from 129m. Multi element analysis to test for pathfinder elements is underway to aid in the interpretation of these zones to determine if additional drilling is required.

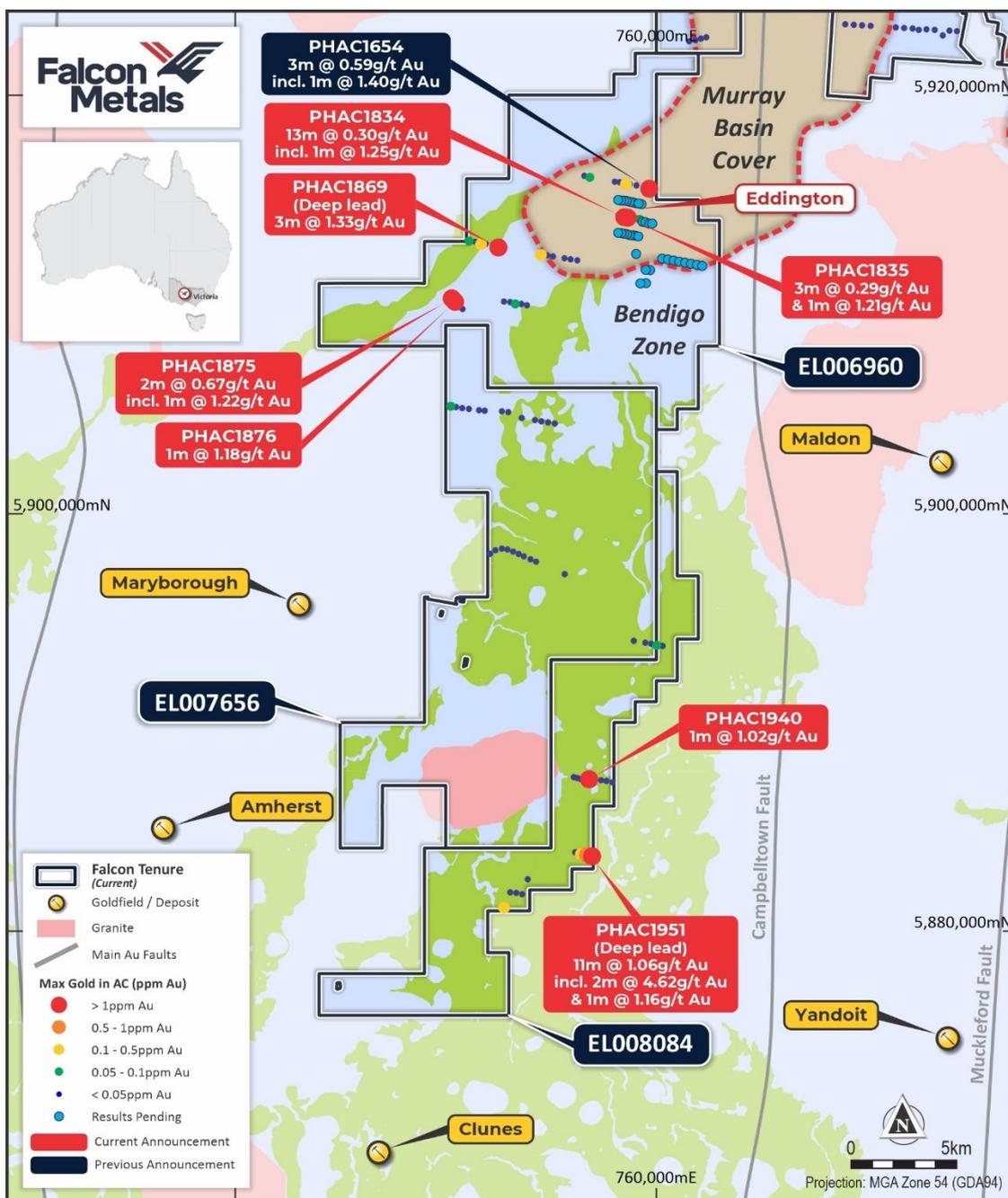


Figure 4 Location map of Campbelltown Fault drilling with maximum gold

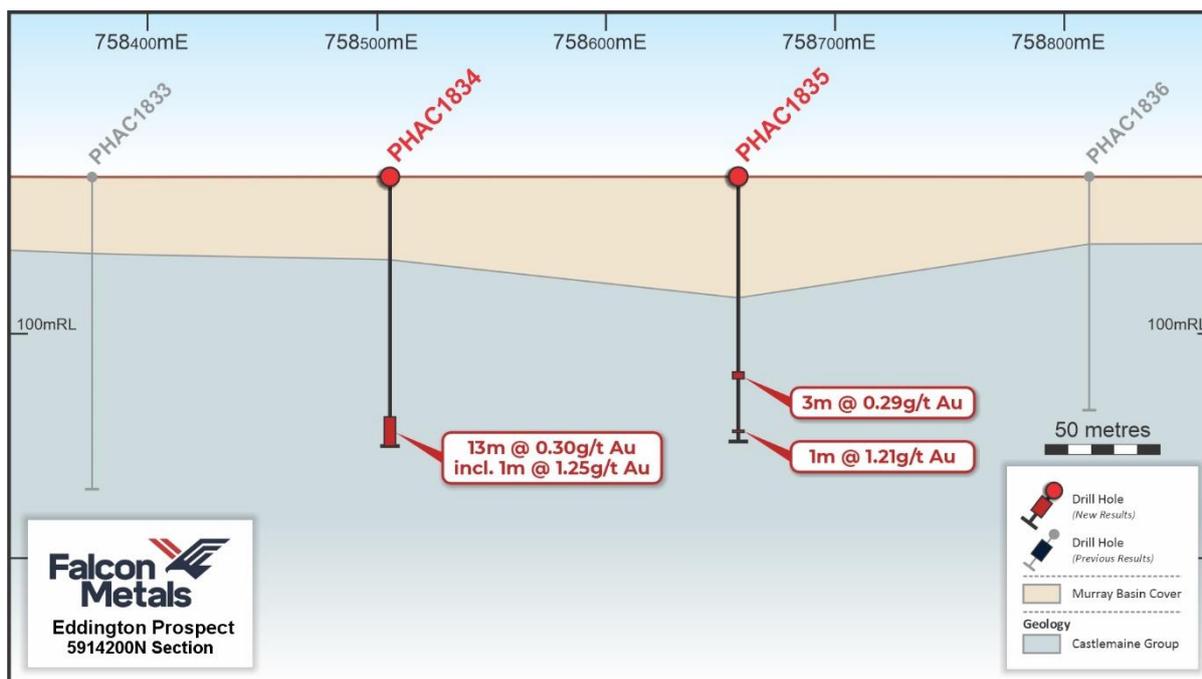


Figure 5 Cross Section showing results at Eddington

Wandoo Prospect

An additional line of 70m spaced drilling was completed at the Wandoo Prospect approximately 900m south of previously reported anomalous results³. The extensional drilling consisted of 8 holes for 878m and confirmed that mineralisation extends to the south although the results were not as anomalous as the previous drilling to the north, suggesting the main mineralised trend is centred on the area previously defined. This will be the focus for future drill planning which may include a limited diamond drill program.

Mineral Sands Drilling

A review of the Falcon land position in Victoria for critical minerals identified several areas with known mineral sands and related Rare Earth Elements (REE) potential in the Murry Basin cover in EL006864 and EL007120. Victoria is a known mineral sands province with several large projects currently in development phase. In the Victorian Murray Basin, there are at least five known mineral sands deposits with published JORC Resources. These are noted below in Table 1, with three of the nearby deposits shown in Figure 6.

During the quarter results were received for the 77 reconnaissance aircore holes for 3,461m drilled in October 2023 across EL006864 and EL007120 on the most prospective areas of these permits. Select samples were sent to Diamantina Laboratories in Western Australia for Heavy Media Separation (HMS) test work to determine the Total Heavy Mineral (THM) content of the samples. Given anomalous results were returned, a second phase of work was conducted to determine the mineral suite to check on the Valuable Heavy Mineral (VHM) content which is critical in determining the significance of the results. This was a two-step process with detailed grain counting completed on a small subset of the results (ten samples), and the results used to complete a faster sachet scanning process to provide a preliminary assessment on the broader mineral sands suite. All samples that

³ ASX announcement "Targets Upgraded at the Pyramid Hill Gold Project" dated 14 June 2023



returned >1 THM% were sent for sachet scanning. This level of work is considered sufficient to provide Falcon with enough information to determine next steps for any areas considered prospective. On the plan maps showing the mineral sands results, <3 VHM% x metres is considered to have low potential.

Farrelly Prospect

Several high-grade results were returned from the Farrelly Prospect (see Figures 7 and 8) with holes PHAC1803 and PHAC1804 returning the best results from the program. These holes were drilled on an east-west roadside, 200m apart, and were the only holes drilled in this area by Falcon.

- **PHAC1803** 17m @ 9.8% THM from 12m; including
 - 11m @ 14.4% THM from 16m; that also includes
 - 1m @ 21.6% THM from 16m; and
 - 7m @ 16.8% THM from 19m
- **PHAC1804** 18m @ 5.5% THM from 13m; including
 - 7m @ 10.7% THM from 20m; that also includes
 - 4m @ 12.0% THM from 22m

Over 5km north-northeast of these results, Falcon drilled a further three holes 200m apart which also returned anomalous results.

- **PHAC1790** 6m @ 4.8% THM from 8m; including
 - 1m @ 9.6% THM from 8m
- **PHAC1789** 7m @ 2.1% THM from 10m
- **PHAC1788** 4m @ 2.9% THM from 11m

The sachet scanning of samples from the Farrelly Prospect confirmed that a suite of VHM is present in the high-grade areas. Some of the insitu VHM% grades are encouraging, particularly PHAC1803 with 17m @ 9.8% VHM from 12m (see Table 2). Given the high-grade of the Farrelly Prospect, the heavy mineral content is potentially significant with zircon ranging from 14% to 25%, rutile 5% to 13% and ilmenite 20% to 36%.

Grain counting was completed for five one-metre intervals from the Farrelly Prospect and this confirmed the presence of monazite (a REE bearing mineral, of which REE's are considered critical metals for clean energy technologies), with values varying from 0.5% to 2.5% (See Table 3). It was noted by the mineralogist that accurately quantifying monazite is better suited to other techniques and additional mineralogical test work will provide more confidence in the abundance of monazite and the presence of xenotime throughout the mineral sands in Falcon's tenements.

The THM analysis was done on the 38µm to 1mm size fraction as is standard practice in reporting mineral sands results. Further studies to test for the THM and VHM abundance of the 20µm to 38µm fine fraction will be investigated.

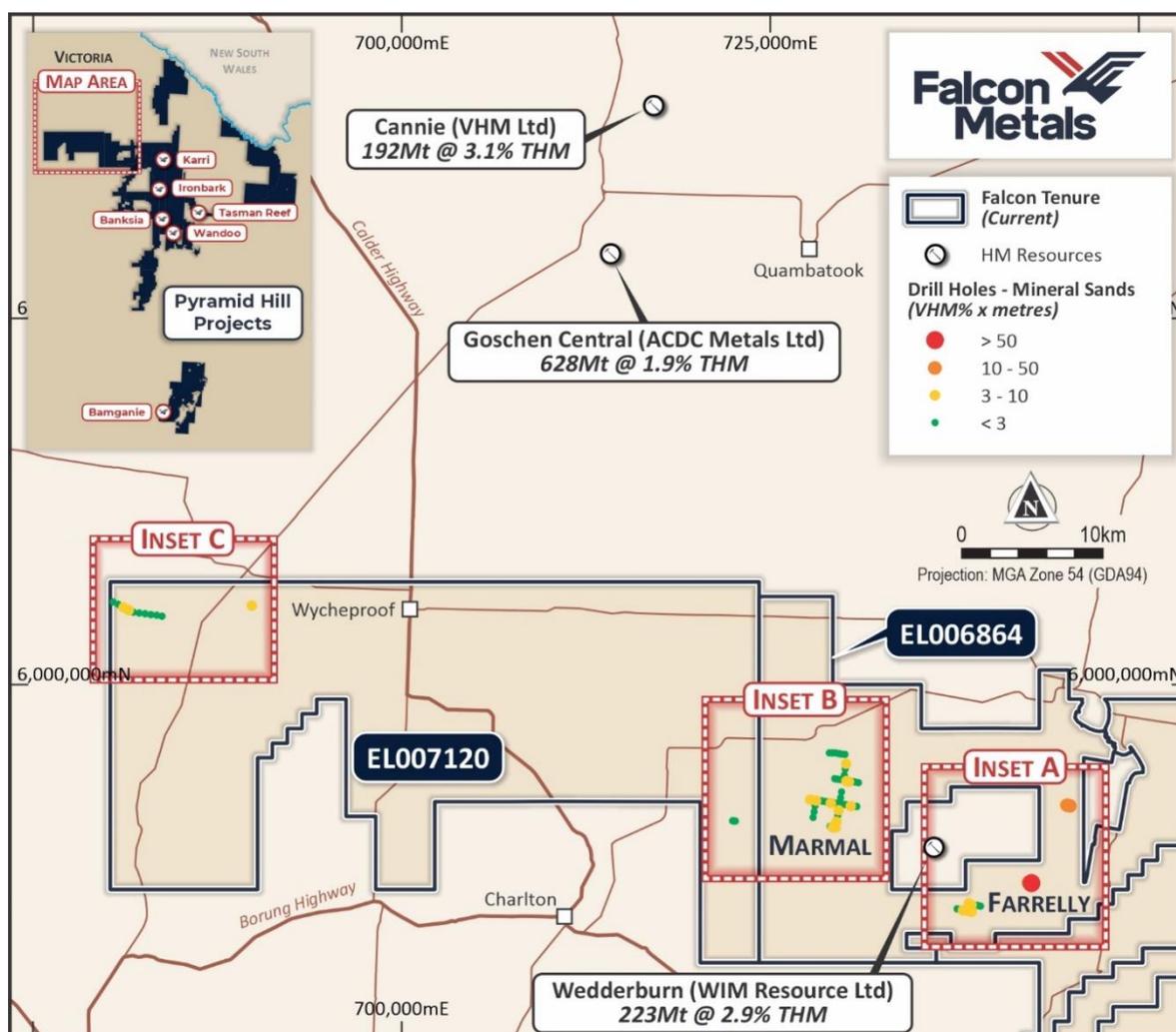


Figure 6 Location map of the initial phase of mineral sands drilling at Pyramid Hill

Given the high-grade intercepts from the Farrelly Prospect, follow up drilling of 91 holes for 3,549m was completed in March 2024, with 200m spaced drilling along roadsides completed over the northern half of the prospect and some more targeted drilling to define the higher-grade southern zone and possible extensions.

Select samples will undergo heavy media separation and mineralogical test work. These results are expected in June 2024. A work plan for more detailed metallurgical test work likely to include sizing of the heavy minerals and their potential recovery through conventional separation techniques, as well as further analysis of the minerals present defining their quality and grade will depend on results.



Table 1 Mineral Sands Deposits with Published JORC Resources

Company - Deposit		Mt	THM%	Zr.	Ru.	Leu.	Ilm.	Mnz.	Xen.	VHM% ⁶	In Situ VHM% ⁷
ACDC Metals - Goschen Central ¹	Indicated	130	2.0%	24%	9%	10%	22%	4%	0.4%	69%	1.4%
	Inferred	498	1.9%	24%	9%	13%	23%	4%	0.5%	74%	1.4%
	Total	628	1.9%	24%	9%	12%	23%	4%	0.5%	73%	1.4%
Astron – Donald ²	Measured	579	4.6%	18%	8%	22%	25%	2%	-	75%	3.5%
	Indicated	1,232	4.5%	17%	8%	18%	31%	2%	-	76%	3.4%
	Inferred	822	4.7%	18%	9%	17%	33%	2%	-	79%	3.7%
	Total	2,634	4.6%	18%	8%	18%	31%	2%	-	77%	3.5%
Iluka – Wimmera ³	Measured	220	5.3%	17%	6%	7%	34%	2%	0.5%	67%	3.5%
	Indicated	160	4.0%	17%	6%	7%	33%	2%	0.5%	66%	2.6%
	Inferred	990	5.1%	15%	5%	5%	33%	2%	0.4%	60%	3.1%
	Total	1,380	5.0%	16%	5%	6%	33%	2%	0.4%	62%	3.1%
VHM Ltd – Goschen ⁴	Measured	31	5.7%	30%	11%	9%	25%	3%	0.8%	79%	4.5%
	Indicated	310	3.2%	21%	10%	9%	25%	3%	0.7%	69%	2.2%
	Inferred	496	2.7%	20%	12%	16%	13%	3%	0.7%	65%	1.7%
	Total	837	3.0%	21%	11%	12%	18%	3%	0.7%	67%	2.0%
Wim Resources -Wedderburn ⁵	Total	223	2.9%	21%	14%	17%	33%	2%	-	87%	2.5%

¹ "ACDC RIU Conference Presentation" released to ASX 14 February 2024

² "Donald Project Mining License Mineral Resource Update" released to ASX on 1 December 2022

³ "WIM100 Mineral Resource Estimate Update" released to ASX 21 February 2024

⁴ "VHM 1H FY24 Results Presentation" released to ASX 28 February 2024

⁵ <https://wimresource.com.au/project/wedderburn-hms/> (Measured, indicated and inferred breakdown is not available for the Wedderburn Project)

⁶ VHM% is calculated by adding Zircon, Rutile, Leucoxene and Ilmenite (Note: This preliminary scanning does not include Monazite or Xenotime)

⁷ In Situ VHM% is calculated by THM% multiplied by VHM%

Zr – Zircon, Ru – Rutile, Leu – Leucoxene, Ilm – Ilmenite, Mnz – Monazite, Xen – Xenotime

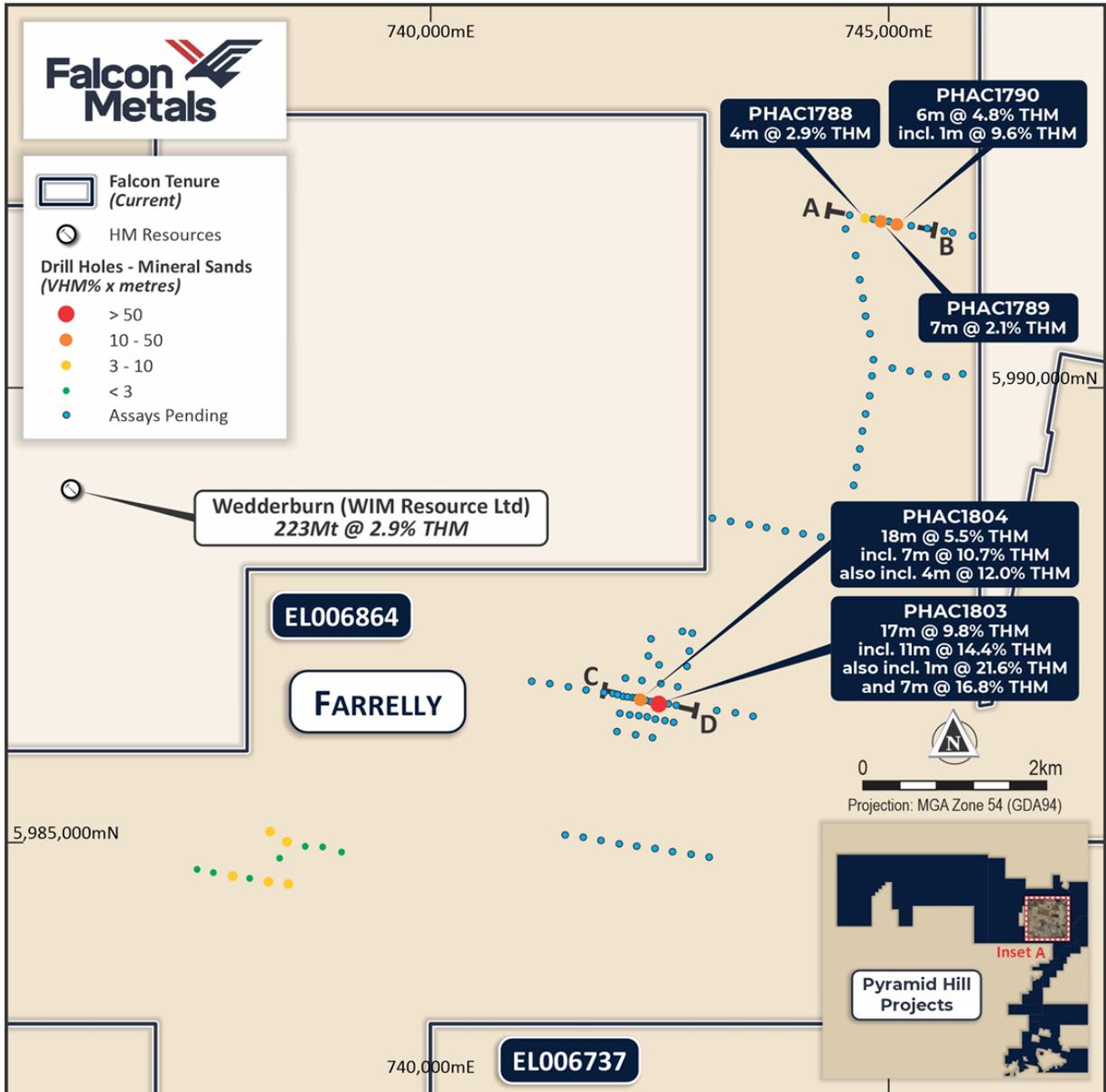


Figure 7 Location of the Farrelly Prospect showing results received and recently completed follow-up drilling awaiting assays

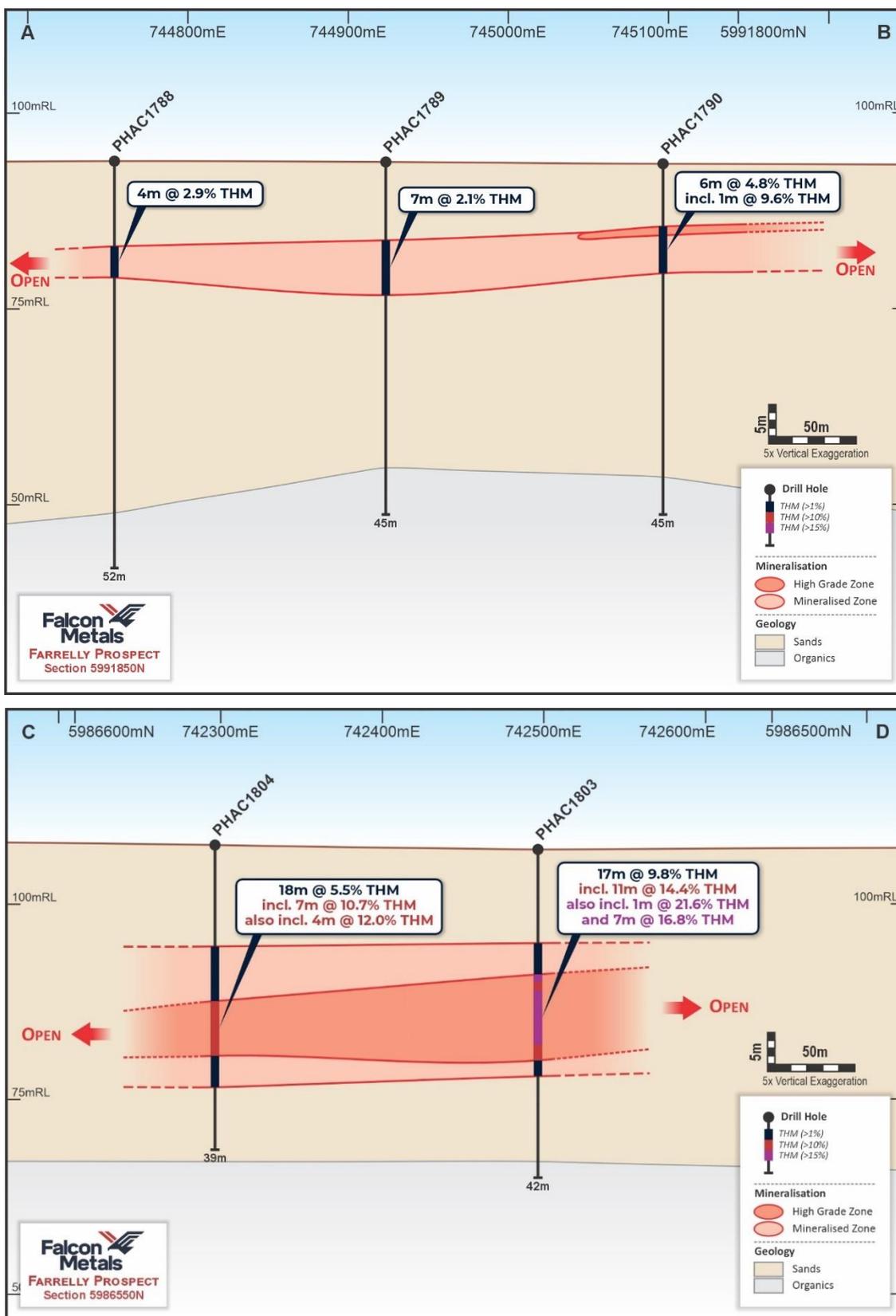


Figure 8 Cross-sections A-B and C-D through the Farrelly Prospect showing holes with results received



Table 2 Mineral suite results from sachet scanning from the Farrelly Prospect (VHM>1%)

Hole ID	From	To	Interval	THM%	Zircon	Rutile	Leucoxene	Ilmenite	VHM% ¹	In Situ VHM% ²
PHAC1788	11	15	4	2.9%	29%	10%	5%	31%	75%	2.2%
PHAC1789	10	17	7	2.1%	22%	13%	11%	36%	82%	1.7%
PHAC1790	8	14	6	4.8%	17%	5%	5%	18%	45%	2.2%
PHAC1803	12	29	17	9.8%	17%	7%	5%	26%	55%	5.4%
incl.	16	27	11	14.4%	20%	7%	5%	27%	59%	8.5%
that also incl.	16	17	1	21.6%	25%	10%	5%	20%	60%	13.0%
and	19	26	7	16.8%	20%	6%	5%	29%	60%	10.1%
PHAC1804	13	31	18	5.5%	14%	9%	5%	22%	50%	2.8%
incl.	20	27	7	10.7%	15%	11%	5%	24%	55%	5.9%
that also incl.	22	26	4	12.0%	15%	10%	5%	24%	54%	6.5%

¹VHM% is calculated by adding Zircon, Rutile, Leucoxene and Ilmenite (Note: This preliminary scanning does not include Monazite or Xenotime)

²In Situ VHM% is calculated by THM% multiplied by VHM%

Table 3 Grain counting results for select samples from the Farrelly Prospect showing preliminary monazite grades

Hole ID	From	To	Width	THM%	Monazite%	Total VHM%
PHAC1788	12	13	1	3.7	1.0	81
PHAC1789	11	12	1	4.6	2.5	93
PHAC1790	13	14	1	2.4	0.5	55
PHAC1803	20	21	1	9.7	1.0	65
PHAC1804	20	21	1	17.0	0.5	54



Marmal Prospect

The Marmal Prospect was identified by Aberfoyle Resources in the late 1980's and infill drilling was completed but the available data was not of appropriate detail to develop an exploration target. Drilling completed by Falcon confirmed the presence of a low-grade but generally shallow prospect with a high percentage of VHM. There is some scope to increase the scale of the prospect to the south where more consistent zones of mineralisation were encountered in consecutive holes (see Figure 9), however, this target is a lower priority than the Farrelly Prospect.

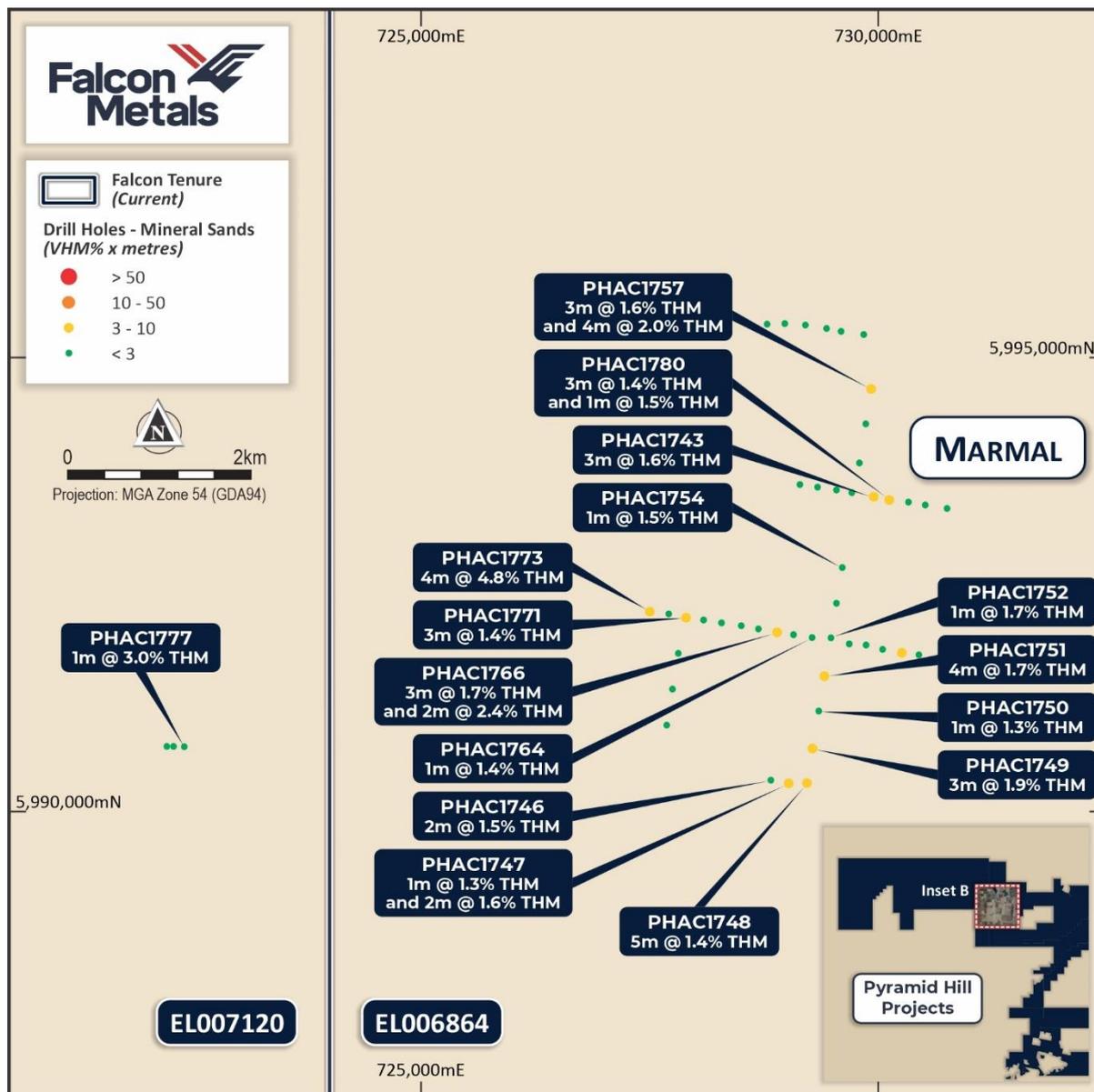


Figure 9 Plan map of the Marmal Prospect



Regional Results

An area in the northwest of EL007120 was targeted for drilling because it had never been explored but appeared to be the possible southern extension of a strandline that is held by Iluka Resources (ASX: ILU) under a retention licence. Although these results were not as encouraging as the Farrelly Prospect, they did highlight that some mineral sands potential does exist within the western part of EL007120 (See Figure 10).

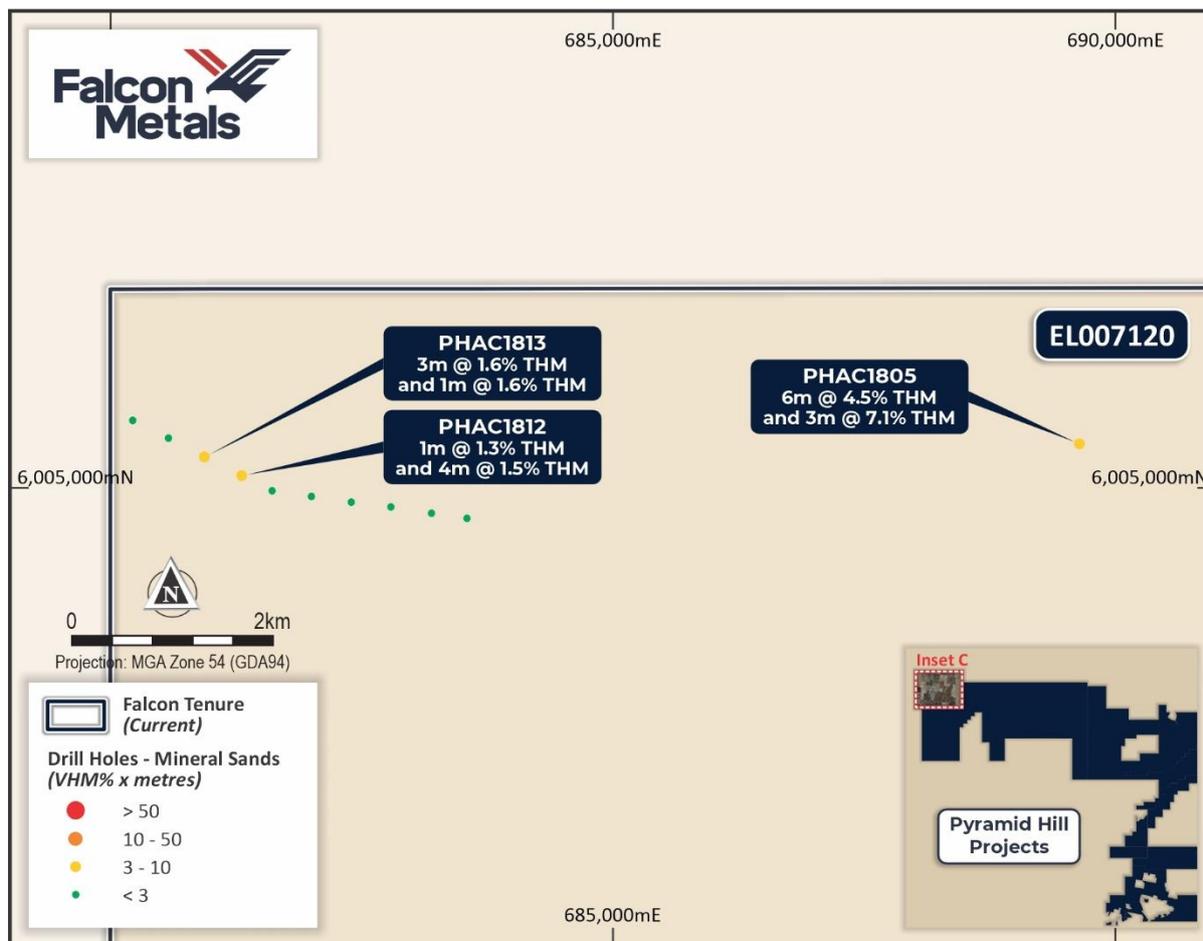


Figure 10 Plan map of the drilling in the northwest of EL007120



Mt Jackson (100% FAL)

The project is located approximately 350 km northeast of Perth and 110 km north of Southern Cross. The Mt Jackson project area is located at the northern end of the Southern Cross Belt where it converges with the Koolyanobbing Shear Zone. The Southern Cross Greenstone Belt has a prolonged mining history and hosts multiple significant gold deposits, including Marvel Loch (>1.5Moz).

Falcon has selected a geophysical contractor for a Moving Loop Electromagnetic Survey (MLEM) at the Mt Jackson Project on the northern extension of the Southern Cross greenstone belt to test for massive sulphide mineralisation below coincident nickel and copper soil anomalies. This survey is expected to commence in April 2024. Once results from the MLEM survey are available, the planning of drilling to test base metal targets and zones of anomalous gold already identified will be finalised. This will include completion of a heritage survey prior to the commencement of drilling.

Joint Ventures

Viking (E63/1963 – 51% FAL, earning up to 70% & application E63/1994 - 100% FAL)

The project is located approximately 30 km east of the regional township of Norseman within the high grade metamorphic Albany-Fraser Province, host of the Tropicana Gold Mine operated by AngloGold Ashanti, that has produced over 3Moz since 2013.

There was no activity at the Viking Project during the quarter.

Hawkstone (application E04/2883 & application EL 04/2284 –SVY earning up to 80%)

The Hawkstone Ni-Cu-Co Project is located in the emerging West Kimberley magmatic nickel province, along strike from IGO/Buxton's JV Merlin and Dogleg Ni-Cu discoveries.

During the quarter, Falcon entered into an Earn-In and Joint Venture agreement with Stavely Minerals Limited (ASX: SVY) where SVY has the ability to earn an 80% interest in Falcon permit applications E04/2883 and E04/2884 by spending a minimum of \$500,000. The salient terms of the agreement include:

- Expenditure of \$500,000 for Stavely Minerals to earn an 80% equity interest in the tenure;
- Minimum expenditure equal to two-years' statutory minimum expenditure on the tenements;
- Formation of a Joint Venture with Falcon free carried to a decision to mine; and
- If not proceeding to mine development with contributions on an equity basis, acquisition of the non-proceeding interest on a fair value basis.



ASX ADDITIONAL INFORMATION

As per ASX Listing Rule 5.3.1: Exploration and Evaluation Expenditure during the Quarter was \$2.31 million. Full details of exploration activity during the Quarter are set out in this report.

As per ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the Quarter.

As per ASX Listing Rule 5.3.5: There were payments of \$0.13m consisting of director fees to related parties of the Company and their associates during the Quarter.

This announcement has been approved for release by the Board of Falcon Metals.

For more information, please contact:

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Tenement Register

Project	Tenement Reference	Location	Interest at 1/01/2024	Acquired / Disposed	Interest at 31/03/2024	Registered Holder / Applicant [^]
Pyramid Hill	EL006738	VIC	100%		100%	Falcon Metals
	EL006943	VIC	100%		100%	CGM (WA) [^]
	EL006661	VIC	100%		100%	Falcon Metals
	EL006669	VIC	100%		100%	Falcon Metals
	EL006737	VIC	100%		100%	Falcon Metals
	EL006864	VIC	100%		100%	Falcon Metals
	EL006898	VIC	100%		100%	Falcon Metals
	EL006901	VIC	100%		100%	Falcon Metals
	EL006960	VIC	100%		100%	Falcon Metals
	EL007121	VIC	100%		100%	Falcon Metals
	EL007120	VIC	100%		100%	Falcon Metals
	EL007040	VIC	100%		100%	Falcon Metals
	EL007200	VIC	100%		100%	Falcon Metals
	EL007320	VIC	100%		100%	CGM (WA) [^]
	EL007322	VIC	100%		100%	Falcon Metals
	EL007656	VIC	100%		100%	CGM (WA) [^]
	EL007838	VIC	100%		100%	Falcon Metals
	EL007839	VIC	100%		100%	Falcon Metals
	EL007840	VIC	100%		100%	Falcon Metals
	EL007844	VIC	100%		100%	Falcon Metals
	EL007845	VIC	100%		100%	Falcon Metals
	EL008084	VIC	100%		100%	Falcon Metals
	EL008302	VIC	100%		100%	Falcon Metals
EL008303	VIC	100%		100%	Falcon Metals	
EL008360	VIC	100%		100%	Falcon Metals	
EL008447	VIC	- [*]		- [*]	Falcon Metals	
EL008486	VIC	-		- [*]	Falcon Metals	
Mt Jackson	E77/2577	WA	100%		100%	Falcon Metals
	E77/2946	WA	100%		100%	Falcon Metals
	E77/3134	WA	- [*]		- [*]	Falcon Metals
Viking	E63/1963 [#]	WA	51%		51%	Falcon Metals
	E63/1994	WA	- [*]		- [*]	CGM (WA) [^]
Basin Edge	E04/2883 [@]	WA	- [*]		- [*]	Falcon Metals
	E04/2884 [@]	WA	- [*]		- [*]	Falcon Metals
	E04/2885 ^{&}	WA	100%		100%	Falcon Metals

^{*} Applications

[^] Tenements registered to CGM (WA) Pty Ltd have an executed deed of transfer to Falcon Metals Ltd

[#] E63/1963 subject to earn in agreement with Metals Hawk (MHK) whereby Falcon Metals has earned 51% by spending \$1M and can earn further 19% by spending an additional \$1.75M.

[&] E04/2885 is located in the Yampi Sound Training Area and approval is required from the Department of Defence before exploration activities can take place

[@] E04/2883 and E04/2884 is subject to an earn-in agreement with Stavelly Minerals Limited (SVY) whereby SVY has the right to earn an 80% interest in the tenements by spending \$0.5 million

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

FALCON METALS LTD

ABN

87 651 893 097

Quarter ended ("current quarter")

31 March 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,310)	(2,806)
(b) development	-	-
(c) production	-	-
(d) staff costs	(134)	(584)
(e) administration and corporate costs	(131)	(292)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	176	563
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (listing/compliance costs, insurance, bank fees and legal)	(14)	(108)
1.9 Net cash from / (used in) operating activities	(1,413)	(3,227)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(12)	(41)
(d) exploration & evaluation	-	-
(e) investments	-	(255)
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (security deposits paid)	-	(98)
2.6	Net cash from / (used in) investing activities	(12)	(394)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	(11)	(34)
3.10	Net cash from / (used in) financing activities	(11)	(34)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	15,086	17,305
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,413)	(3,227)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12)	(394)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(11)	(34)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	13,650	13,650

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	13,650	15,086
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,650	15,086

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	129
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	N/A	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,413)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,413)
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,650
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	13,650
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.7
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 12 April 2024

Authorised by: By the Board of Falcon Metals Ltd
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.